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Thailand

Grain and Feed

Weekly Rice Price Update

2008

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Report Highlights:

Export prices are expected rebound over the weekend in response to a recent Thai rice sale to Malaysia. On May 13, the Malaysian Government purchased 200,000 tons of white rice from Thai traders. Immediate price fluctuations were seen in the domestic market only as Thai export price fluctuations have been softened by a recent depreciation of the Thai baht.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Bangkok [TH1]
[TH]

Indicative Prices (Week Ending May 12):

Thailand: Export (FOB) Prices for various grades of rice (USD/M.T.)									
	Exporter Observations							Period Avg.	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	1,110	-	-	-	1,200	1,200	1,200	1,175	1,188
WR 100 B	870	-	-	-	930	1,090	1,000	968	973
PB 5%	-	-	-	-	940	1,080	1,090	1,033	1,015
WR 5%	830	-	-	-	910	1,080	990	950	953
WR 10%	-	-	-	-	-	-	-	-	-
WR 15%	-	-	-	-	-	-	-	-	-
WR 25%	-	-	-	-	-	-	-	-	-
WR 35%	-	-	-	-	-	-	-	-	-
A 1 SUP	680	-	-	-	770	-	840	760	783
A 1 SPEC	-	-	-	-	-	-	-	-	-
Source: Average actual prices received from exporters, Exchange rate: 32.1 baht/U.S.\$									

Market Tone

Export prices continued to ease early this week but are expected rebound over the weekend in response to a recent Thai rice sale to Malaysia. On May 13, Malaysia reportedly concluded a deal for around 200,000 tons of 5%-15% grade white rice for prompt delivery. The Thai Government reportedly facilitated negotiations between the Malaysian Government and Thai traders for the purchase of 550,000 tons of white rice in Bangkok yesterday. Prices were settled at around \$950/MT, FOB, slightly lower than the previous week's offer prices, but were still high enough to prevent the Malaysian Government from purchasing the entire 550,000 tons. In response to the Malaysian tender, domestic prices increased by 8-10 percent today. However, the immediate price impact was largely observed in the domestic market as fluctuations in export prices have been softened by the recent weakening of the Thai baht to 32.1 baht/\$USD (from 31.5 baht/\$USD last week).

Regarding the Government's domestic stock release plan, the Government began the stock release on May 12, with 100,000 bags (5kg.) of 5% grade white rice at 120 baht/bag (\$3.7/bag) which is 30 baht/bag lower than market prices. The Government plans to release an additional 100,000 bags on May 20 and again on May 30. The next two distribution dates will cover up to 50 provinces throughout Thailand, as compared to the current release to only 10 provinces (including Bangkok). At the moment, the Government's plan to buy paddy from farmers to maintain intervention stocks has not been finalized. Meanwhile, the Thai Farmers Association urged the Government to set intervention prices of white rice paddy at minimum 15,000 baht/ton (\$467/MT) for the rest of dry season crop harvest during May – June. This is more than double the 2007 intervention price of 6,500 baht/ton (\$188/MT).

The following are the reported rice exports (as is basis):

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	%
MAR 23	204,056	190,906	2,088	1,014	105.8
MAR 30	238,638	206,698	2,326	1,122	107.4
APR 6	175,536	202,861	2,502	1,234	102.7
APR 13	157,439	193,917	2,659	1,359	95.6
APR 20	85,612	164,306	2,745	1,472	86.5
APR 27	169,952	147,135	2,915	1,608	81.3
MAY 4	135,461	137,116	3,050	1,685	81.0
MAY 11	137,226	132,063	3,188	1,795	77.6

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Unofficial exports (excluding fragrant rice) for May 5-11, 2008 totaled 137,226 tons, up 1,765 tons from the previous week, and up 5,163 tons from the four-week moving average of 132,063 tons. Exports during Jan. 1 – May 11, 2008 totaled 3,187,665 tons, as compared with 1,794,964 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1 – Mar. 31, 2008, amounted to 3,254,946 tons, up 66.7 percent from 1,952,388 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of Apr. 21-25, Apr. 28 – May 2, and May 5-9, 2008 are as follows:

Movement (MT)	Apr. 21-25	Apr. 28 – May 2	May 5-9
Weekly sales	108,298	175,315	228,984
4 week sum	602,409	588,769	630,000
4 week mov. avg.	150,602	147,192	157,500
Total weekly sales	3,051,342	3,226,657	3,455,641

End of Report.